GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:555
ANSWERED ON:23.02.2001
AMENDMENT OF ESSENTIAL COMMODITIES ACT, 1955
ASHOK NAMDEORAO MOHOL;RAMSHETH THAKUR

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government propose to amend the Essential Commodities Act 1955;

(b) if so, the details thereof;

(c) whether the Government are also considering some specific measures to reduce the huge surplus of foodgrains stocks;

(d) if so, the details thereof;

(e) whether the Government propose to allow inter-State trading in foodgrains and also to relax the stock limits maintained by traders in rural areas;

(f) if so, the details thereof; and

(g) the extent to which these measures would obviate the effect of brought?

Answer

MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI V. SREE PRASAD)

(a) : Yes, Sir.

(b) : The Essential Commodities (Amendment) Bill, 2000 has been introduced inthe Lok Sabha on 8.3.2000 to amend the Essential Commodities Act, 1955. The amendment aims at providing more deterrent action against hoarders and blackmarketeers while eliminating scope for unnecessary harassment to genuine traders. The proposed amendment includes increase in fines and imprisonment, making of all offences cognizable and non-bailable except the minor offences committed for the first time, requirement of prior permission of an officer not below the rank of Executive Magistrate for making entry, search and seizure, power of arrest to be exercised by an officer not below the rank of sub-inspector of police, seized good to be sold through Public Distribution System, provision for allowance of margin between physical stock and stock in record, appeal against confiscation to lie with the State Government.

(c) : Yes, Sir.

(d) : The details have been given in Annexure-I.

(e) to (g): As per the Central Government`s policy decision taken in March, 1993,all the States/Uts were requested to remove all the informal/formal inter-state/intra-state restrictions on movement of foodgrains. However, some State Governments like Tamil Nadu, Jammu & Kashmir and West Bengal have kept the restrictions on movement of foodgrains (paddy/rice) on account of local conditions.

The Governments of Tamil Nadu and Jammu and Kashmir are still keeping stock-limits on rice on account of local conditions, inspite of the policy decision of the Central Government to abolish stock limit on rice. All the States/Uts except Bihar have keptstock limits on wheat.

Taking into account the overall comfortable food situation and also keeping in view the storage constraints faced by FCI, the State Governments have been requested in November, 2000, to do away with all the restrictions on trade in wheat and wheat products and also to remove restrictions on movement, if any, imposed informally by the States/Uts on their own. Similarly, in January, 2001, the State Governments have been requested to remove all restrictions on trade in rice.

ANNEXURE-I

The following steps have been taken to reduce the excess stocks from the Central Pool:

1. Open sale of wheat at reduced prices has been started from 11.07.2000.

2. Open sale of rice has been started from 4.9.2000.

3. The Central Issue Prices of Wheat and rice were revised downwards on 25.7.2000.

4. The (Central Issue Prices) CIPs of rice and wheat for (Above Poverty Line) families have been fixed at 100% of the economic cost or the open market sale price decided by the FCI from time to time, whichever is lower. The open market rates being less than the economic cost, the States can avail of this offer and make foodgrains available to APL population at reduced rates.

5. The allocation of food grains for (Below Poverty Line) families @ 20 kg per family per month is now being made on the basis of population projections of the Registrar General as on 01.03.2000 instead of projected population of 1995.

6. Foodgrains at BPL rates are available for allotment to State Governments @ 5 kg perhead per month for covering categories of indigent people living in welfare institutions such as beggar homes, hostels for SC/ST/backward students/Nari Niketans etc. sponsored by the State Governments and the concerned administrative Ministry of the Government ofIndia. Foodgrains can now be allocated under the Annapoorna scheme to indigent old persons even in the case of those receiving old-age pension from the State Governments.

7. Foodgrains at CIP applicable for BPL families will be allocated for all welfare schemes implemented by the various Ministries of the Government of India.

8. Foodgrains at the rates applicable for BPL families will be allotted to the StateGovernments for undertaking `Food-for-Work` programmes in the States, as also for the Greening India Campaign.

9. Foodgrains will be allocated at BPL rates for development schemes (Where thebeneficiaries belong to the BPL category), implemented by NGOs sponsored by the State Governments and endorsed by the administrative Ministry in the Government of India, as also by international organizations like the World Food Programme.

10. FCI has been permitted to offer wheat for export at a price not lower than theCIP for BPL category which, at present, is Rs. 4150 per M.T.